



July 21, 2004

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Arizona Corporation Commission
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Arizona Corporation Commission
1300 W. Washington
Phoenix, AZ 85007

AZ CORP COMMISSION
DOCUMENT CONTROL

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Re: Request for Authorization under the Environmental Portfolio Standard (EPS),
R14-2-1618, Docket No. RE-00000C-00-0377

Introduction

So Cool Energy, Inc. (So Cool) is an Arizona corporation providing solar heating, air conditioning, and domestic hot water to buildings, along with heat and hot water for industrial processes. So Cool opened its offices in September of 2003 with the intent of bringing a proven European technology into the U.S., particularly the U.S. Southwest, to provide another solar option to customers and utilities. So Cool chose Arizona for two primary reasons: 1) the Commission's leadership in promoting renewable energy and 2) the State's access to the entire Southwest market. So Cool hopes to open its first U.S. manufacturing facility in Arizona within the next two-three years if the market develops as hoped. This action will allow So Cool to not only bring jobs to Arizona and further enhance the solar industry in the State, but will allow the company to reduce the cost of its products by 30-40%.

In order to implement its plan, So Cool has previously written a letter to Mr. Ray Williamson, dated May 12, 2004, requesting that solar HVAC technologies be accorded the same status as solar photovoltaic and solar electric technologies, since they have the same effect of increasing the electric power supply. In other words, So Cool requests that solar HVAC technologies should be counted as 'solar electric' under the Commission's Environmental Portfolio Standard (EPS). So Cool believes that solar HVAC systems, even though they 'displace' instead of 'generate' electricity should be categorized as a solar resource because they create all of the same benefits as solar electricity, as discussed in the May 12 letter. Two other companies producing similar products, Industrial Solar Technologies and Solar Focus, have filed letters in support of this request.

So Cool has been and is willing to continue to participate in the EPS process to assist the Commission in achieving an EPS that works best for Arizona. The current request, however, seeks authorization now for a project that is pending, further described below. So Cool hopes to receive this authorization as soon as possible so that it can move forward with its first U.S. project here in Arizona.



Request for Authorization

On February 9, 2004, Arizona Public Service (APS) issued a Request for Proposals (RFP) for a solar heating, cooling, and domestic hot water system for a Maricopa County facility under an energy performance contract. So Cool responded to the RFP. Subsequently, APS issued a revised RFP for the same facility on April 12, 2004 to which So Cool again responded. In its RFP, APS indicated that it wishes to use this project to test the prospect of using solar HVAC technologies on existing buildings to allow it to satisfy its portfolio standard.

So Cool was verbally informed that it was the successful bidder some weeks after submission of its bid. In a letter dated May 13, 2004, however, APS indicated that it would be able to move forward with the project only if So Cool were able to obtain authorization from the Commission that the energy produced by the proposed facility could be classified as "solar electric power" by APS. So Cool participated in good faith in the bid process without understanding that APS might be subject to internal and/or other constraints that would prevent it from actually awarding a bid. Therefore, So Cool is filing this request. (Both the bid and the APS letter can be provided under seal upon request.)

So Cool requires assistance from this Commission in order to move forward with the project described above. In order to be able to proceed, So Cool requests that the Commission allow the energy output from the project to be classified as solar electric so that we can immediately move to contract negotiations and subsequent work on the project.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lori A. Glover", written in a cursive style.

Lori A. Glover
President

Docket No. RE-00000C-00-0377